

		AGENDA ITEM EXECUTIVE SUMMARY						
		Title:	Recommending Municipal Code Amendment regarding Second Hand Store Licensing Requirements (Savers)					
		Presenter:	Chris Aiston					
Please check appropriate box:								
	Government Operations				Government Services			
X	Planning & Development (10/10/11)				City Council			
Estimated Cost:		N/A		Budgeted:	YES		NO	
If NO, please explain how item will be funded:								
Executive Summary:								
<p>Savers, a US-based, for-profit, secondhand store, currently operates more than 130 stores across 30 states in the US, with seven Illinois sites either having recently opened or in the siting consideration process (including St. Charles). The company also has 120 stores in Canada and 8 stores in Australia. The store purchases secondhand merchandise from local charities; not from the general public. According to company materials, in 2010 alone, Savers purchased over \$100,000,000 worth of merchandise from not-for-profits across the world. Company's web address: www.savers.com</p> <p>Savers intends to lease the former Toys-R-Us building at 3880 East Main Street. The company expects to do approximately \$4,000,000 in annual sales at this location. Some minor modifications to the building exterior are also planned.</p> <p>Savers has requested the City to modify or otherwise make them exempt for Chapter 5.44, "Secondhand and Junk Stores" of our municipal code, as we do not-for-profit organizations operating a business in town (e.g., Salvation Army, Goodwill). Savers is particularly concerned with the records requirement in this Chapter. Staff feels there is merit to exempting Savers from the records requirement and the prohibition against a second hand store from making any transaction with a minor but other requirements of this Chapter generally could and probably should apply to this store (provisions with respect to stolen goods, operating as a "pawnbroker"). Savers is also requesting to be exempt from Sect. 10.11.2360 requiring they report to the Police whenever they buy or sell a new or secondhand bicycle. Staff finds this request as appropriate.</p> <p>Staff will further explain during its presentation. Further, Savers representatives will attend the October 10th Planning and Development Committee to make a brief presentation and answer any questions from the Committee and general public.</p>								
Attachments: (please list)								
Savers proposed amendments; list of other specific code requirements								
Recommendation / Suggested Action (briefly explain):								
Staff recommends that Planning and Development Committee consider and find that certain amendment(s) to Chap. 5.44 and Sect. 10.11.2630 of the City Code are necessary to allow for Savers secondhand store to locate in St. Charles and recommend such amendments for City Council approval.								
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Savers Requested Code Amendments

Chapter 5.44 Secondhand and Junk Stores

Section 5.44.010 Licenses – Exemption

A. It is unlawful for any person to operate a business as a dealer in junk, dismantled or wrecked motor vehicles or parts thereof, and secondhand articles without having first obtained and kept in effect a license therefor. Such secondhand articles shall include, but not be limited to, used household goods and personal items, metals and gems.

B. This chapter shall not apply to those isolated transactions commonly known as "garage sales" or "rummage sales;" provided that the same are held a maximum of twice yearly.

C. This chapter shall not apply to antique dealers, flea market dealers, and consignment dealers except to the extent any of them shall in the course of business purchase jewelry, gems and/or precious metals.

D. This chapter shall not apply to not-for-profit organizations operating a business as described in subsection A above if the articles sold are originally donated to the organization.

E. This chapter shall not apply to organizations operating a business as described in subsection A above if the organization obtained the second hand articles from a not-for-profit organization, and the articles to be sold were originally donated to that not-for-profit organization, and/or the organization does not purchase any second hand articles from the general public.

Section 10.11.2360 Dealers – Report of sale to police.

Every person engaged in the business of buying or selling new or secondhand bicycles shall make a report to the Chief of Police of every bicycle purchased or sold by such dealer, giving the name and address of the person from whom purchased or to whom sold, a description of such bicycle by name or make, the frame number thereof, and the number of the license plate, if any, found thereon. **This Section shall not apply to organizations described in Section 5.44.010 (D) or Section 5.44.010 (E).**

Subsections of Chapter 5.44, St. Charles Municipal Code

5.44.020 Records required - Inspection of records and goods.

Every secondhand or junk store dealer shall keep a permanent record book in which shall be legibly written in ink, at the time of each purchase, an accurate account and description of the article or thing so purchased or sold, and the name and residence of the person to whom or from whom such purchase was made. The record book as well as every article of merchandise shall at all reasonable times be open to the inspection of any member of the police force. The form of such record shall be as set forth in Exhibit "A" attached to this chapter. (Ord. 1983-M-27 § 1 (part).)

5.44.030 Stolen goods.

Every secondhand or junk store dealer who receives or is in possession of any goods, articles or things of value which may have been lost or stolen, shall upon demand produce such article or thing to any member of the police department for examination, and it shall be the duty of every dealer hereunder to report to the police department any article or thing which was sold to him or which is offered to him for purchase if he has reason to believe that the article or thing was stolen. (Ord. 1983-M-27 § 1 (part).)

5.44.040 Dealing with minors.

No secondhand or junk store dealer shall, in the course of his business, make any transaction with any person less than eighteen years of age, except with the written consent of the parent or guardian of the minor given in the presence of the dealer. (Ord. 1983-M-27 § 1 (part).)

5.44.050 Licensee not to operate certain businesses.

No secondhand or junk store dealer shall receive or hold a license to carry on a business as a pawnbroker. (Ord. 1983-M-27 § 1 (part).)

5.44.060 Time for purchases restricted.

It is unlawful for any licensee hereunder to purchase in the course of business any goods, articles or things whatsoever from any person or persons whomever, between the hours of ten p.m. one day and eight a.m. of the following day. (Ord. 1983-M-27 § 1 (part).)